



OFFICE OF STATE PLANNING AND BUDGETING

A Fact Sheet

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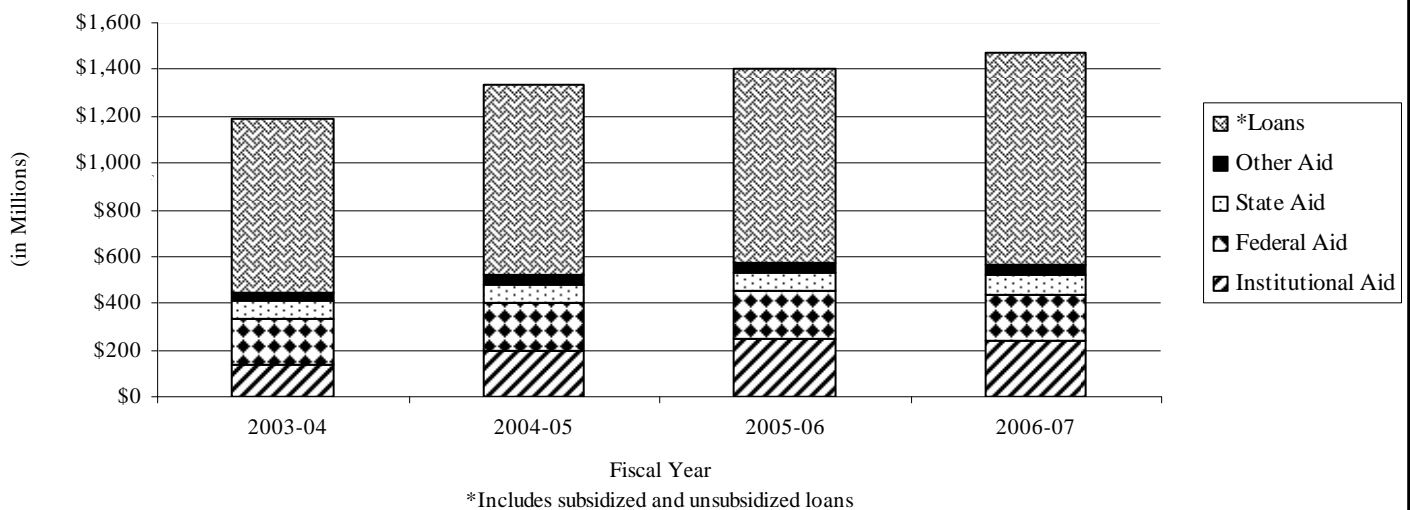
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This Fact Sheet summarizes current financial aid programs in Colorado. It has five sections: financial aid sources; financial need and unmet need; history of Colorado's financial aid funding; FY 2008-09 budget actions; and information on the number of students served through state programs. This fact sheet is intended to be the first version of financial aid fact sheets compiled by OSPB. OSPB will work in the coming months to update and revise figures as new data becomes available and as more analysis is completed.

Financial Aid Sources for Colorado Students

- Financial aid is provided through five broad sources. These sources include Institutional Aid, Federal Aid, State Aid, Other Aid (including private grants) and Loans. Within each one of these categories there are different types of aid being allocated. In total, Colorado students have seen an increase in financial aid, but that aid has not kept pace with increases in the cost of attendance over time.
 - Table One below describes all reported Financial Aid funds, by source, for all types of students from FY 2003-04 to FY 2006-07. Data were collected by the Department of Higher Education; information for FY 2007-08 will become available in Fall 2008.
 - It is noteworthy that, as Table One illustrates, loans are the primary tool for providing aid to students with financial need.

TABLE 1
Four Year Summary of Financial Aid by Source and Fiscal Year



- Although Table One illustrates that more than \$1.4 billion in financial aid (including loans) was provided to Colorado students in FY 2006-07, there continues to be a large amount of “unmet need.” This is particularly true for those with lower estimated family contributions.

Unmet Need

- Demonstrated financial need is calculated using the following formula:
 - **Total Costs of Attendance – Expected Family Contribution = Need.**
- Demonstrated financial need is most often addressed by way of a combination of sources, including that from institutions of higher education, that from State Governments, that from Federal Governments, and that from Private Scholarships and Grants.
- Despite noteworthy recent increases to state and federal financial aid programs, costs of attendance have outpaced such changes, resulting in considerable need.
- The need in the State is more than a student and family’s ability to pay. Even after considering the impact of financial aid assistance provided by the State, Federal Government, Private Scholarships and Institutional Aid there is a considerable amount of unmet need.
- Although subsidized loans are appropriately considered a type of aid, this type of aid results in students having loan debt upon graduation. Student loan debt is a result of existing sources of financial aid in grant form not being sufficient to cover the student’s remaining need.
- Table Two (on the following page) identifies this debt in the State and shows how student loan debt has increased over this four year time frame. The average student loan debt for those needing loans in FY 2006-07 at four year institutions ranged between \$16,496 and \$23,945 per student at Fort Lewis College and the University of Colorado at Denver, respectively.

TABLE 2				
Average Student Debt Loan at Graduation-Baccalaureate Degree				
<u>Institution</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>
Adams State College	\$16,580	\$15,646	\$16,699	\$17,832
Colorado School of Mines	\$16,714	\$15,591	\$16,103	\$18,653
Colorado State University - Ft. Collins	\$16,997	\$16,570	\$17,623	\$18,536
Colorado State University - Pueblo	\$18,702	\$18,746	\$20,485	\$21,750
Fort Lewis College	\$16,272	\$15,963	\$15,925	\$16,496
Mesa State College	\$16,927	\$17,047	\$17,763	\$19,754
Metropolitan State College of Denver	\$19,906	\$19,502	\$19,636	\$20,480
University of Colorado - Boulder	\$19,126	\$19,607	\$18,105	\$18,887
University of Colorado - Colorado Springs	\$17,518	\$17,793	\$16,525	\$18,379
University of Colorado at Denver (UCD)	\$17,468	\$21,719	\$21,552	\$23,945
University of Colorado Health Sciences Center*	\$35,553			
University of Northern Colorado	\$16,628	\$15,905	\$16,744	\$16,778
Western State College	\$16,620	\$18,872	\$15,956	\$16,596
<u>Loans Included:</u> Federal Stafford Loans Unsubsidized; Federal Perkins Loan; Federal Stafford Loans Subsidized; Federal Health Profession Loans; Other Loans				
<u>NOTE:</u> In this table Average Students Loan Debt is calculated as the average loan amount per student only for students that have debt upon graduation, not the average debt of all degree receiving students per institution.				
* Combined with UCD for 2005 through 2007				
<u>Source:</u> Financial Aid Report 2006-07 - January 11, 2008 - Department of Higher Education				

- Recent data from the Department of Higher Education for FY 2006-07 indicate that, for resident undergraduate students with an estimated family contribution (EFC) less than \$15,000 attending public colleges, there is \$359.2 million in unmet need in Colorado. This is after estimated family contributions, federal grants, state grants, institutional grants, private grants and includes loans (both subsidized and unsubsidized).

If the loans that are used to cover need are not included in the calculation, remaining need for this group would climb to \$609.4 million in FY 2006-07.

- TABLE 3** (on the following page) presents data concerning unmet need when including loans, both subsidized and unsubsidized
 - \$274.0 million in FY 2005-06; and
 - \$359.2 million in FY 2006-07.
- TABLE 4** (on the following page) presents data concerning remaining need without including loans, both subsidized and unsubsidized
 - \$528.5 million in FY 2005-06; and
 - \$609.4 million in FY 2006-07.
- The unmet need figures estimated in Tables Three and Four reflect figures for certain subsets of all students, attending all types of colleges in Colorado (public and private), and are intended to illustrate a share of unmet need and remaining need. The data identifies resident undergraduate students attending public institutions of higher education with an estimated family contribution (EFC) of less than \$15,000. There are a total of 78,281 in FY 2005-06 and 75,842 in FY 2006-07 students reflected in these figures. **Total unmet need in Colorado is larger than the figures identified here.** The high cost of attendance at proprietary and private schools skew the unmet need data significantly. Typically, any reporting by the Department of Higher education only looks at public institutions.

TABLE 3

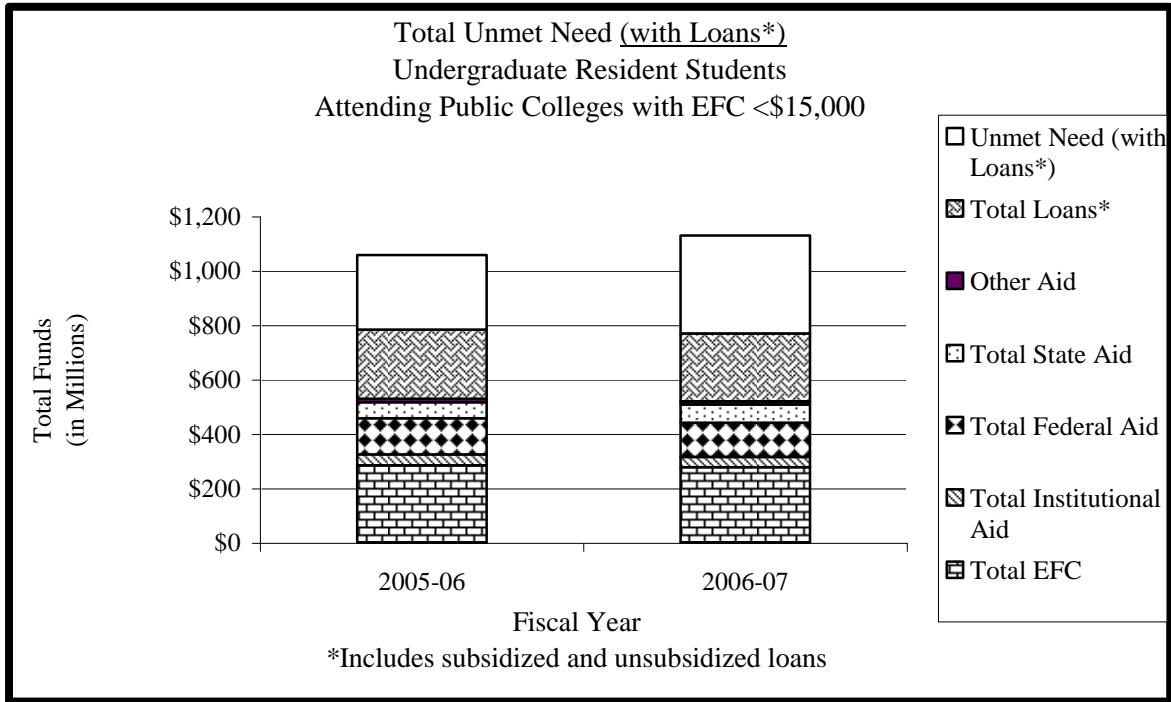
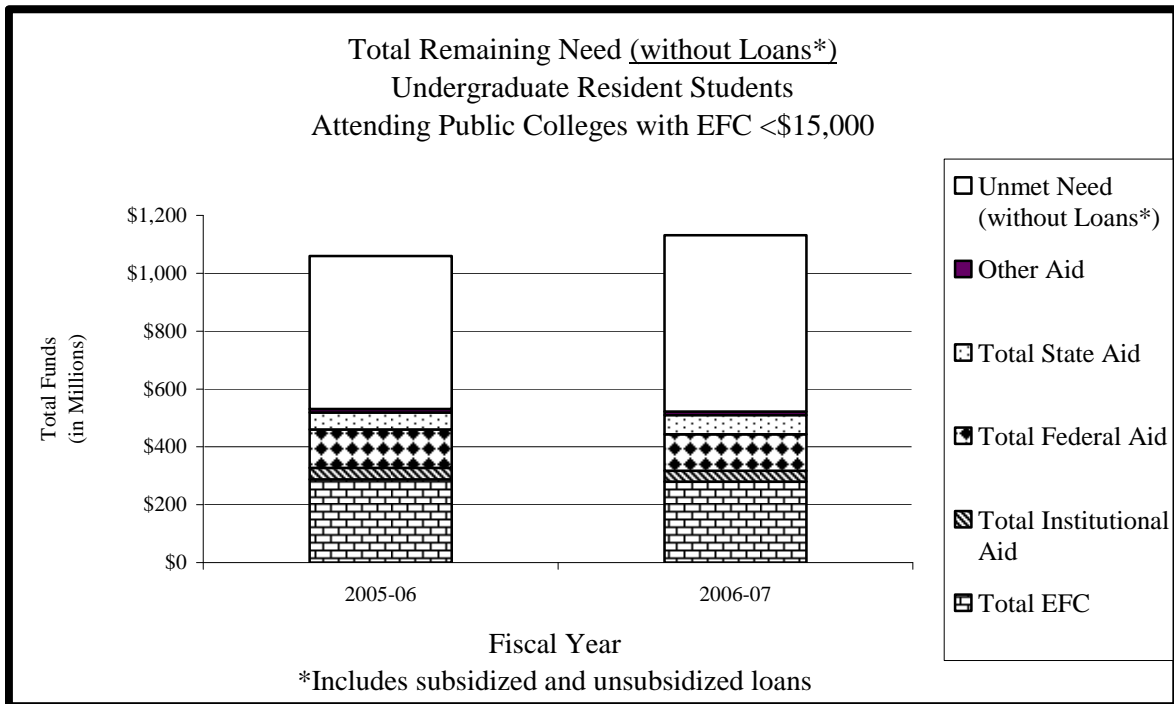


TABLE 4



History of State Provided Financial Aid in Colorado (by type of aid)

- State-based financial aid has been allocated into four categories:
 - ***Need based grants-***

The majority of state financial aid dollars are in the form of need-based grants. Again, need is determined by subtracting a student's expected family contribution from total cost of attendance. Expected family contribution is a commonly used indicator of a student's ability to pay. It is primarily based upon a family's income but is adjusted for the number of family members, other financial assets and number of family members in college. Expected family contribution is the amount that the parents and the student are expected to contribute to cover the cost of attending college. The total cost to attend college includes tuition and fees, room and board, books and supplies, and travel expenses for students who do not live within reasonable commuting distance. If the cost to attend college exceeds the student's expected family contribution then the student is eligible for financial aid. The difference between the student's calculated need and the amount of financial aid that he/she receives is the student's unmet need. Need-based aid programs assist Colorado resident students who cannot otherwise afford to attend college.
 - ***Merit based grants -***

The primary purposes of the state's merit-based aid programs are to recruit and retain outstanding students in Colorado. The Colorado Undergraduate Merit and Colorado Graduate Fellowship programs are provided to recognize outstanding student achievements. A student's financial circumstances are not a factor in the award decision and only the student's performance (as measured by grade point average (GPA) or test scores) or recognized talents in a specific area (such as drama, music, and athletics) are considered. A minimum 3.5 GPA is required for award renewal.
 - ***Work Study -***

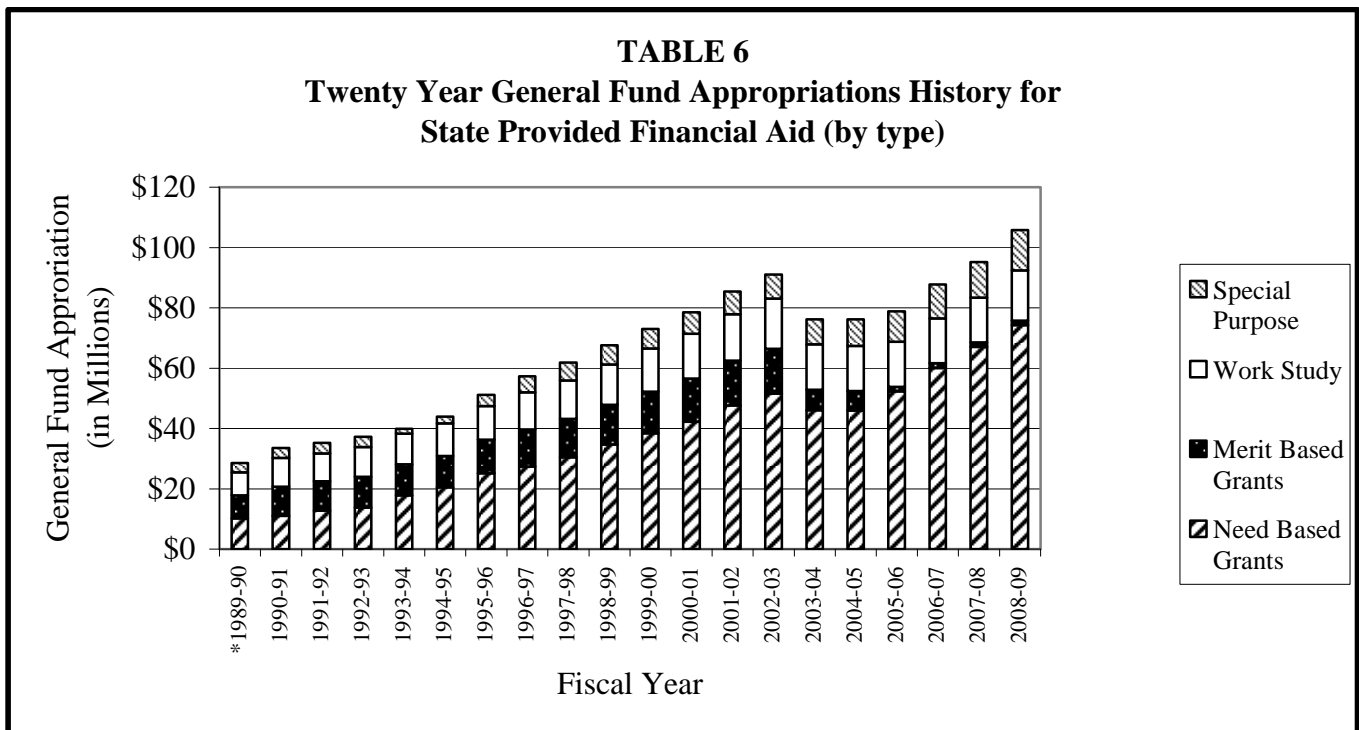
Work-study allows students to earn funds while attending an institution of higher education. It is considered a form of "self-help" assistance, since the student is earning money through employment to help meet his/her educational costs. In Colorado, work-study allocations can be used for students with or without a documented financial need; however, Colorado statutes require that no less than 70% of the Colorado work-study funds are awarded to students with demonstrated financial need and up to 30% may be awarded to students on a basis other than financial need (C.R.S. 23-3.3-401 (3)).
 - ***Special Purpose Programs -***

Special Purpose programs are aid programs that are required for federal matching funding and/or have specific statutory purposes and goals.
- Table Five (on the following page) presents Colorado General Fund appropriations for financial aid, by program type, for fiscal years 1989-90 to 2008-09.

TABLE 5							
Colorado Commission on Higher Education Financial Aid - General Fund Appropriations							
FY	Need Based Grants	Merit Based Grants	Work Study	Special Purpose	Total State Financial Aid	Change	% Change
*1989-90	\$10,192,290	\$7,644,218	\$7,644,218	\$3,105,129	\$28,585,855		
1990-91	\$11,033,697	\$9,662,922	\$9,552,181	\$3,261,961	\$33,510,761	\$4,924,906	17.2%
1991-92	\$12,783,697	\$9,662,922	\$9,302,181	\$3,476,242	\$35,225,042	\$1,714,281	5.1%
1992-93	\$13,833,697	\$10,112,922	\$9,872,181	\$3,389,407	\$37,208,207	\$1,983,165	5.6%
1993-94	\$17,833,697	\$10,302,922	\$10,132,181	\$1,575,321	\$39,844,121	\$2,635,914	7.1%
1994-95	\$20,433,697	\$10,466,482	\$10,833,986	\$2,234,254	\$43,968,419	\$4,124,298	10.4%
1995-96	\$25,108,435	\$11,216,482	\$11,153,986	\$3,686,995	\$51,165,898	\$7,197,479	16.4%
1996-97	\$27,356,431	\$12,340,481	\$12,277,985	\$5,360,322	\$57,335,219	\$6,169,321	12.1%
1997-98	\$30,489,141	\$12,726,591	\$12,707,714	\$5,883,699	\$61,807,145	\$4,471,926	7.8%
1998-99	\$34,709,277	\$13,117,490	\$13,402,484	\$6,329,826	\$67,559,077	\$5,751,932	9.3%
1999-00	\$38,423,152	\$13,826,078	\$14,248,944	\$6,513,899	\$73,012,073	\$5,452,996	8.1%
2000-01	\$42,199,077	\$14,371,810	\$14,811,367	\$7,177,010	\$78,559,264	\$5,547,191	7.6%
2001-02	\$47,598,002	\$14,874,498	\$15,359,754	\$7,554,066	\$85,386,320	\$6,827,056	8.7%
2002-03	\$51,550,101	\$14,874,498	\$16,612,357	\$8,049,044	\$91,086,000	\$5,699,680	6.7%
2003-04	\$46,002,682	\$6,877,309	\$15,030,062	\$8,296,701	\$76,206,754	-\$14,879,246	-16.3%
2004-05	\$45,935,202	\$6,434,287	\$15,003,374	\$8,790,113	\$76,162,976	-\$43,778	-0.1%
2005-06	\$52,285,488	\$1,500,000	\$15,003,374	\$10,005,122	\$78,793,984	\$2,631,008	3.5%
2006-07	\$60,096,963	\$1,500,000	\$14,884,300	\$11,281,496	\$87,762,759	\$8,968,775	11.4%
2007-08	\$67,023,546	\$1,500,000	\$14,884,300	\$11,766,432	\$95,174,278	\$7,411,519	8.4%
2008-09	\$74,294,146	\$1,500,000	\$16,612,357	\$13,362,293	\$105,768,796	\$10,594,518	11.1%

* Based on \$25,480,726 distributed pursuant to footnote 36 (H.B. 90-1281) - "At least 30 percent of this total must be spent in each of three areas: Need Based Aid, Merit Based Aid, and Work Study payments". Identified here, 40 percent, 30 percent, 30 percent, respectively.

- Table Six illustrates in chart form the data found in Table Five.



* Based on \$25,480,726 distributed pursuant to footnote 36 (H.B. 90-1281) - "At least 30 percent of this total must be spent in each of three areas: Need Based Aid, Merit Based Aid, and Work Study payments". Identified here, 40 percent, 30 percent, 30 percent, respectively.

Budget Actions in FY 2008-09

- In the FY 2008-09 Long Bill (H.B. 08-1375), total financial aid was increased by \$10.1 million General Fund, a 10.4% increase. This increase was comprised of the following pieces.
 - *\$7,270,600 General Fund for need based financial aid*, which will result in over 4,600 additional students receiving a need based financial aid award of \$1,560 per student (a 10.8% increase).
 - *\$1,728,057 General Fund for Work Study Grant financial aid programs*. This amount restores Work Study funding to its high-water mark in FY 2002-03 and will result in an additional 871 students receiving work study aid (an 11.6% increase).
 - *\$800,000 General Fund for pre-collegiate scholarships* which doubles the programs FY 2007-08 funding level, totaling \$1,600,000 General Fund in FY 2008-09. This will enable approximately an additional 800 students to receive the \$1,000 maximum grant award (matching the funding from Academic Competitiveness Grants provided by the federal government, a 100% increase).
 - *\$295,861 General Fund for Native American Students' Tuition* at Fort Lewis College to cover Native American enrollment from the previous fiscal year as required by statute (a 3.7% increase).
- **S.B. 08-133** "Math and Science Scholarships for Teachers" was signed into law which created the Teach Colorado Grant Initiative in the Department of Higher Education. The program appropriates \$500,000 General Fund in FY 2008-09 to provide scholarships to cover tuition expenses to students in state institution teacher preparation programs who excel academically in high-need content areas, such as mathematics and science.
- Table Seven describes the number of students receiving state-based financial aid over time, from FY 2001-02 to FY 2006-07.
- In FY 03-04 statewide budget cuts affected financial aid funding. This primarily occurred through the elimination of the need based Governor's Opportunity Scholarship and cuts in the merit based aid program. These two activities explain most of the change in the total students column.

TABLE 7					
Number of Students Receiving Colorado State Student Aid					
Fiscal Year	Need Based Aid	Merit Based Aid	Work Study	Special Purpose	Total Students
FY 2001-02	\$30,040	\$12,306	\$8,468	\$1,024	\$51,838
FY 2002-03	\$30,842	\$10,552	\$8,887	\$1,010	\$51,291
FY 2003-04	\$26,811	\$5,415	\$8,278	\$742	\$41,246
FY 2004-05	\$25,508	\$5,363	\$7,875	\$776	\$39,522
FY 2005-06	\$28,832	\$1,383	\$8,247	\$774	\$39,236
FY 2006-07	\$32,504	\$1,211	\$7,626	\$769	\$42,110
% Change FY 02 to FY 07	8.2%	-90.2%	-9.9%	-24.9%	-18.8%
Source: Financial Aid Report 2006-07 - January 11, 2008 - Department of Higher Education					

- Table Eight presents the average financial aid award for students in each of the categories presented in Table Seven.

TABLE 8				
Average Award Per Student for Colorado Aid Expenditures				
Fiscal Year	Need Based Aid	Merit Based Aid	Work Study	Special Purpose
FY 2001-02	\$1,659	\$1,205	\$1,903	\$5,374
FY 2002-03	\$1,756	\$1,410	\$1,974	\$6,100
FY 2003-04	\$1,491	\$1,273	\$1,992	\$9,649
FY 2004-05	\$1,476	\$1,205	\$1,995	\$10,069
FY 2005-06	\$1,536	\$1,083	\$1,832	\$9,591
FY 2006-07	\$1,605	\$1,188	\$2,071	\$10,371
% Change from FY 02 to FY 07	-3.3%	-1.4%	8.8%	93.0%
Source: Financial Aid Report 2006-07 - January 11, 2008 - Department of Higher Education				

For additional information on the State of Colorado's Financial Aid programs. The Department of Higher Education provides full reports by fiscal year on there website. A link to this most current report from FY 2006-07 is provided below.

Department of Higher Education - Financial Aid Report for FY 2006-07:

http://highered.colorado.gov/Publications/Reports/FinancialAid/FY2007/200607_FAReport_rel011108.pdf